

Message Text

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51

ACTION EB-07

INFO OCT-01 AF-06 EUR-12 ISO-00 AGR-05 SP-02 AID-05 NSC-05

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R 181600Z JUN 75

FM AMEMBASSY CONAKRY

TO SECSTATE WASHDC 0851

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AMEMBASSY PARIS

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DEPT PASS CCC, FAS, TREASURY, AID, EXIM

PARIS FOR RFC

E.O. 11652: N/A

TAGS: EFIN

SUBJECT: GOG ARREARAGES TO CCC, AID, EXIMBANK TREASURY

REF: A. CONAKRY 1779, DECEMBER 15, 1972; B. STATE 136921

1. SUMMARY: REFTEL A RECOMMENDED A STANDARDIZED PROCEDURE FOR BILLING GOG ON ITS DEBTS TO USG. FAILURE TO RATIONALIZE US PROCEDURES AS RECOMMENDED HAS CONTRIBUTED TO THREE MORE YEARS OF FRUSTRATION WITH GOG DEPT REPAYMENTS. EMBASSY URGES THAT ADDRESSEE CREDITOR AGENCIES ADOPT UNIFORM BILLING PROCEDURES AS DEFINED IN THIS MESSAGE, THUS EQUIPPING EMBASSY TO PRESS MORE EFFECTIVELY FOR TIMELY PAYMENTS. END SUMMARY.

2. EMBASSY HAS COMPLETED REVIEW OF GOG ARREARAGES TO VARIOUS USG AGENCIES. EMBASSY IS TRANSMITTING DIPLOMATIC NOTE TO FONOFF WITH COMPILATION OF THESE DEBTS, EXPLANATION OF EACH, AND REQUEST FOR PAYMENT (CC BY AIRGRAM).

3. WE HAVE NO ILLUSIONS THAT THIS EFFORT WILL RESOLVE THE PROBLEM,
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ALTHOUGH IN SHORT RUN IT MAY HELP CLEAR UP OUTSTANDING

ARREARAGES. BASIC PROBLEM WILL CONTINUE TO BE GUINEA'S SHORTAGES OF HARD CURRENCY AGGRAVATED BY THE SHEER INCAPACITY OF GOG BUREAUCRACY. IN THIS REGARD A VISIT TO THE GUINEAN CENTRAL BANK IS MOST INSTRUCTIVE.

4. IT IS WORTH NOTING THAT US IS ONLY ONE OF SEVERAL COUNTRIES TO WHICH GUINEA IS IN DEBT, AND IN ARREARS, AND ARREARAGES TO THE US ARE MODEST WHEN COMPARED TO SOME EASTERN EUROPEAN COUNTRIES.

5. USG SHOULD DEAL WITH GUINEA IN BUSINESSLIKE MANNER THAT PROMOTES GOODWILL AND AT LEAST GIVES GOG NO PROCEDURAL EXCUSES FOR FAILURE TO MAKE TIMELY PAYMENTS. THE SITUATION NOTED IN REF A REGARDING BILLING BY VARIOUS USG AGENCIES HAS NOT CHANGED. CCC SENDS ITS BILLS TO GOG EMBASSY IN WASHINGTON WITH A COPY TO THIS EMBASSY; AID SENDS ITS BILLS TO "DIR OF TECHNICAL COOPERATION" IN CONAKRY CARE OF US EMBASSY; EXIMBANK SENDS ITS BILLS TO GOG WITH QUARTERLY STATEMENT TO THIS EMBASSY.

6. WHILE THESE DISPARATES METHODS MAY SEEM RATIONAL TO INDIVIDUAL US AGENCIES, THE RESULTING CONFUSION CONTRIBUTES ANNUALLY TO NON-PAYMENT, FOLLOWED BY A SERIES OF COMPLAINING CABLES FROM WASHINGTON, AND A PARTIAL RESOLUTION USUALLY REACHED IN THE CLOSING HOURS OF ANNUAL PL480 NEGOTIATIONS.

7. THIS UNEVEN AND PIECEMEAL METHOD OF DEBT BILLING AND COLLECTION DOES NOT ADVANCE US INTERESTS IN GUINEA. IT ALSO DRAINS THE RESOURCES OF THIS VERY SMALL MISSION.

8. RECOMMENDED ACTION: EMBASSY REQUESTS THAT THE FOLLOWING PROCEDURES BE IMPLEMENTED BY CONCERNED USG AGENCIES:

A. ALL BILLS SHOULD BE SENT IN DUPLICATE IN CARE OF ECONOMIC/COMMERCIAL OFFICER, US EMBASSY CONAKRY, AND NOT TO VARIOUS ENTITIES OF GOG;

B. BILLS SHOULD BE SENT AT A MINIMUM SIX WEEKS BEFORE DUE DATE;

C. EMBASSY SHOULD BE NOTIFIED OF THE BILL BY TELEGRAM TO FORESTALL POUCH DELAYS;

D. ALL AGENCIES, INCLUDING CCC AND EXIM, SHOULD FURNISH EMBASSY WITH COPIES OF AMORTIZATION SCHEDULES AND AN ANNUAL SCHEDULE OF THE EXACT DATES PAYMENTS ARE DUE, INCLUDING THE AMOUNT COVERING THE REMAINDER OF CY75 AND FOR CY76;
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E. EMBASSY WILL THEN UNDERTAKE TO GIVE GOG A CLEAR PICTURE OF DEBTS DUE WITHIN THE YEAR AND ENOUGH ADVANCE NOTICE ON EACH BILLING TO PERMIT TIMELY PAYMENT (OR AT LEAST TO PERMIT NO AMBIGUITY IN CASE OF FAILURE TO MEET COMMITMENTS).

9. EMBASSY WELCOMES GROWING WASHINGTON CONCERN WITH DEBT COLLECTION PROBLEM AS EVIDENCED BY REF B. EMBASSY HAS BEEN PREOCCUPIED WITH THIS ACTIVITY FOR OVER TEN YEARS. IT IS TIME WE

RECOGNIZE RESPONSIBILITY OF US, AS DEVELOPED CREDITOR NATION,
TO SET ITS OWN BUREAUCRATIC HOUSE IN ORDER AND TO PRESENT THE
CONFUSED GOG WITH AN INTEGRATED AND UNMISTAKABLE STATEMENT OF
JUST HOW MUCH IS OWED AND WHEN.
HARROP

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